

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

MDL No. 3076
CASE NO. 1:23-md-03076-KMM

IN RE:

FTX Cryptocurrency Exchange Collapse Litigation

THIS DOCUMENT RELATES TO:

Garrison, et al. v. Paffrath, et al.,
No. 1:23-cv-21023-CMA (S.D. Fla.)

**JOINT NOTICE OF COMPLIANCE WITH JULY 11th ORDER AND REQUEST FOR A
BRIEFING SCHEDULE FOR MOTION FOR PRELIMINARY APPROVAL**

Plaintiffs, and FTX Defendant Kevin Paffrath (collectively, the “Settling Parties”), jointly move in compliance with the Court’s Notice of Court Practice Upon Notice of Settlement dated July 11, 2023 (“Prior Order”) (ECF No. 121), entered in response to the Settling Parties’ *Joint Motion to Extend Stay as To Defendant Kevin Paffrath Pending Approval of Settlement Agreement* (“Prior Motion”) (ECF No. 118) for an order setting a briefing schedule on a motion for preliminary approval.

1. The Settling Parties have reached a proposed Settlement, which if approved by the Court, will resolve all of the proposed class claims against FTX Defendant Paffrath. The Settlement includes both monetary and injunctive terms (The “*Paffrath Settlement*”).

2. As a result of the *Paffrath Settlement*, in Plaintiffs’ recently filed Administrative Class Action Complaint (ECF No. 156), Paffrath is not named in that pleading. The Settling Parties will proceed with seeking Court approval of the *Paffrath Settlement*. However, Plaintiffs believe it is prudent to await completion of Plaintiffs’ settlement negotiations with other defendants in this MDL Action so that Plaintiffs can submit a motion for approval that will include a series of settlements.

3. Plaintiffs are also proud to inform the Court that Plaintiffs are currently engaged in settlement discussions with additional FTX Defendants, and in-person mediations are scheduled before Mediator, The Honorable Michael A. Hanzman (*ret.*), during the last week of this month, August 2023. Class Counsel very respectfully suggest that because there is a likelihood that other FTX settlements will be reached at or immediately following that mediation, it would be most efficient and economical (as done in other class cases before this Court) for the Court to conduct one hearing, by combining the consideration of the proposed Settlements, in light of the significant costs of notice and administration to the proposed Class.¹

4. Accordingly, the Settling Parties respectfully request that the Court enter an Order, allowing for the preliminary settlement approval process to be completed as follows:

- a. On September 15, 2023, if other FTX Defendants have settled, Class Counsel shall submit a Status Report with a proposed schedule for filing of a Motion for Preliminary Approval which will include the *Paffrath Settlement*.
- b. If no other FTX Defendant has settled by September 15, 2023, the Parties shall move for preliminary approval of the *Paffrath Settlement* on or before September 15, 2023.

WHEREFORE, the Settling Parties respectfully request the Court to enter an Order establishing the schedule above. A proposed order accompanies this motion as **Exhibit A**.

¹ Plaintiffs respectfully submit that dismissal of the claims against Paffrath at this stage, would be premature, because the proposed *Paffrath Settlement* is the first settlement subject to approval in multiple phases, all overseen by the Court. Preliminary approval of the formal class action settlement agreement has not been granted at this stage, notice has not been approved or issued to the proposed class, and the Court has not held a final fairness hearing.

DATED: August 10, 2023

Respectfully submitted,

By: /s/ Adam Moskowitz

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